

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX REFERENCE NO. 197 OF 1998.

The Commissioner of Income-tax. ... Appellant.

V/s.

Tirumalai Chemicals Ltd.

... Respondent.

Ashok Kotangale with Parag Vyas for the applicant.

Pramod Vaidya with S.N.Inamdar for the respondent.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 4th October 2005.

P.C. :

. By this reference under section 256(1) of the Income-tax Act, 1961, the Income Tax Appellate Tribunal has referred the following question of law for the opinion of this Court:

"Whether, on the facts and in the circumstances of the case, the Appellate Tribunal is right in law in upholding the order of the C.I.T.(A) who held that the amount of subsidy received by the assessee should not be reduced from the cost of the assets from the purpose of allowing depreciation?

. Learned counsel for the parties agreed that question sought to be referred to this Court for opinion has already been answered by the Apex Court in the case of **C.I.T. v. P.J.Chemicals Ltd.**, (1994) 210 ITR 830 in favour of assessee. Accordingly, question referred is answered in the affirmative i.e. in favour of assessee and against the Revenue.

. Reference stands disposed of with no order as to costs.